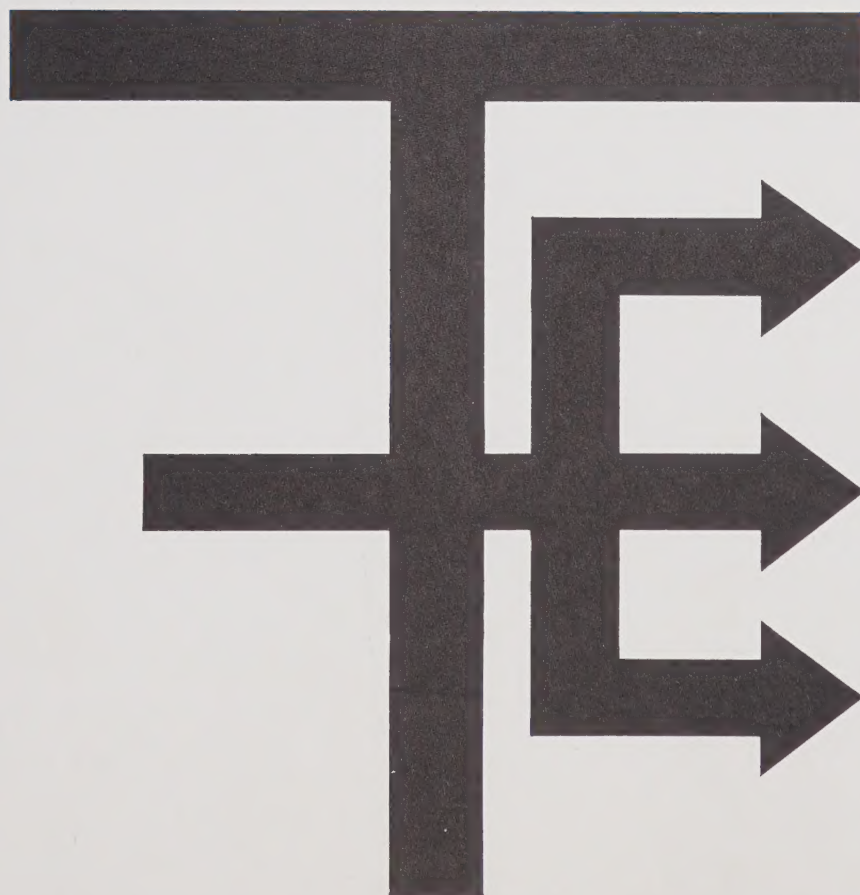



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# TRITON EXPLORATIONS LIMITED

FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31<sup>ST</sup>, 1969





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## Subsidiary Companies

# JS LIMITED

### TRITON SEA PRODUCTS LIMITED

Plant and Operations

P.O. Box 28

Petite Rivière

Nova Scotia

### EDGEHILL MINES LIMITED

Bridgewater

Nova Scotia

*Director*

*President and Director*

*Treasurer*

rec



# TRITON EXPLORATIONS LIMITED

Sun Life Building, Suite 917  
Montreal, Quebec

## Directors and Officers

Loney G. Nicol	<i>President and Director</i>
Ian Ross Fraser	<i>Vice President and Director</i>
Tom D. Granich	<i>Secretary-Treasurer</i>
Roger Saykaly	<i>Director</i>
Dr. E. Tabah	<i>Director</i>
George Maniatis	<i>Director</i>
Thomas Kavanagh	<i>Director</i>
Paul Langlais	<i>Director</i>

### **Head Office:**

Suite 432, 12 Richmond Street E., Toronto, Ontario

### **Executive Office:**

Suite 917, Sun Life Building, Montreal, Quebec

### **Transfer Agent and Registrar:**

The Canada Permanent Trust Company, Montreal, Quebec

### **Auditors:**

Thorne, Gunn, Helliwell & Christenson

### **Solicitors:**

Boisvert & Pickel, Montreal, Quebec

### **Bankers:**

The Royal Bank of Canada, Montreal, Quebec

### **Listing:**

Canadian Stock Exchange—Ticker Symbol—TEL

# Report to the Shareholders

To the Shareholders,

The annual general shareholders meeting has been scheduled for September 11, 1970 at 2:00 p.m. and you will receive in due course the appropriate notice together with a more comprehensive report from the Board of Directors on the affairs of the Company.

In the meantime we enclose the financial statement together with the auditors' report as of December 31, 1969.

Yours sincerely,

L. G. NICOL  
President

# Auditors' Report

To the Shareholders of  
Triton Explorations Limited

We have examined the balance sheet of Triton Explorations Limited, formerly Matachewan Canadian Gold Ltd. (No Personal Liability), as at December 31, 1969 and the statements of deferred exploration, development and other expenditures, shareholders' equity and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1969 and the results of its operations and source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Montreal, Canada  
March 30, 1970

THORNE, GUNN, HELLIWELL & CHRISTENSON  
Chartered Accountants

# TRITON EXPLO

(Incorporated under the laws of the Province of Ontario)

## Balance Sheet — December 31, 1969

(with comparative figures for 1968)

### Assets

	<u>1969</u>	<u>1968</u>
<b>Current Assets</b>		
Cash . . . . .	\$ 16,275	\$ 23,775
Term deposits . . . . .	325,000	—
Marketable securities at cost, less provision for decline in quoted market value (1969, \$119,100; 1968, nil) (quoted market value 1969, \$717,750; 1968, \$936,727) . . . . .	686,183	808,137
Interest and dividends receivable . . . . .	9,658	5,648
Accounts receivable . . . . .	7,244	2,513
Prepaid expenses . . . . .	3,478	610
	<u>1,047,838</u>	<u>840,683</u>
<b>Investment in Wholly-owned Subsidiary (note 2)</b>		
Edgehill Mines Limited		
Shares, at cost . . . . .	8,000	
Advances . . . . .	54,373	
	<u>62,373</u>	
<b>Investment in Other Mining Companies</b>		
Shares, at cost . . . . .		490,956
Less provision for decline in market value of investment in affiliated company . . . . .		427,845
		<u>63,111</u>
<b>Other Assets</b>		
Deposit with Nova Scotia Department of Mines (note 4) (quoted market value 1969, \$69,500; 1968, \$99,800) . . . . .	80,250	98,800
Sundry advances and deposits . . . . .	13,888	10,115
	<u>94,138</u>	<u>108,915</u>
<b>Fixed Assets (note 3)</b>		
Barge and dredge, marine vessels, building, furniture and equipment, at cost . . . . .	126,019	9,432
Less accumulated depreciation . . . . .	20,305	—
	<u>105,714</u>	<u>9,432</u>
<b>Mining Claims (note 4) . . . . .</b>	<u>59,586</u>	<u>54,021</u>
<b>Deferred Exploration, Development and Other Expenditures . . . . .</b>	<u>559,739</u>	<u>313,690</u>
	<u>\$1,929,388</u>	<u>\$1,389,852</u>

Approved by the Board

(Signed) L. G. Nicol, Director

(Signed) I. R. Fraser, Director

# ATIONS LIMITED

(the laws of Ontario)

## Liabilities

	<u>1969</u>	<u>1968</u>
Current Liabilities		
Bank advances, secured by assignment of marketable securities . . . . .	\$ 301,422	\$ 293,500
Accounts payable and accrued liabilities . . . . .	36,014	74,947
	<u>337,436</u>	<u>368,447</u>

## Shareholders' Equity

Capital Stock (note 5)		
Authorized 5,000,000 shares, par value \$1		
Issued 1,075,745 shares (1968, 4,167,798) . . . . .	1,075,745	4,167,798
Less discount thereon . . . . .		442,092
	<u>1,075,745</u>	<u>3,725,706</u>
Contributed Surplus . . . . .	607,495	331,960
	<u>1,683,240</u>	<u>4,057,666</u>
Deficit . . . . .	91,288	3,036,261
	<u>1,591,952</u>	<u>1,021,405</u>

<u>\$1,929,388</u>	<u>\$1,389,852</u>
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# TRITON EXPLORATIONS LIMITED

## Statement of Deferred Exploration, Development and other Expenditures

Year ended December 31, 1969

	Balance at beginning of year	Expenditures during year	Balance at end of year
Exploration and development			
Nova Scotia claims			
Offshore project, south-east coast			
Seismic and drilling work . . . . .	\$162,633		\$162,633
Dredging . . . . .		\$ 64,819	64,819
General surveys . . . . .	271	4,741	5,012
Geologists' fees and expenses . . . . .	16,249	2,591	18,840
Consultants' fees and expenses . . . . .		5,114	5,114
Government fees and licenses . . . . .	42,770	9,755	52,525
Head Office . . . . .	3,270		3,270
Sample analysis . . . . .	7,823		7,823
Supplies and equipment . . . . .	1,568	63	1,631
Technical personnel, salaries and expenses . . . . .	13,846	4,005	17,851
Travel, room and board . . . . .	8,768	809	9,577
Insurance . . . . .		2,586	2,586
Depreciation of barge and marine vessels		16,935	16,935
Miscellaneous . . . . .	633	480	1,113
	<u>257,831</u>	<u>111,898</u>	<u>369,729</u>
Five Islands project, Minas Basin			
Assaying . . . . .		1,742	1,742
General surveys . . . . .		7,581	7,581
Supplies and equipment . . . . .		475	475
Technical personnel, salaries and expenses . . . . .		2,704	2,704
Travel, room and board . . . . .		1,121	1,121
Miscellaneous . . . . .		363	363
	<u>—</u>	<u>13,986</u>	<u>13,986</u>
Ontario claims			
Shiningtree project, Sudbury District			
Government fees and licenses . . . . .	1,791	918	2,709
Technical personnel, salaries and expenses . . . . .	2,959	105	3,064
Consultants' fees . . . . .		180	180
	<u>4,750</u>	<u>1,203</u>	<u>5,953</u>
Carried forward . . . . .	<u>262,581</u>	<u>127,087</u>	<u>389,668</u>

# TRITON EXPLORATIONS LIMITED

## Statement of Deferred Exploration, Development and other Expenditures—continued

Year ended December 31, 1969

	Balance at beginning of year	Expenditures during year	Balance at end of year
Exploration and development—continued			
Brought forward . . . . .	<u>\$262,581</u>	<u>\$127,087</u>	<u>\$389,668</u>
Ontario claims—continued			
D'Alton Lake project, Kowkash mining division			
Assaying . . . . .		226	226
Line cutting . . . . .		2,247	2,247
Consultants' fees and expenses . . . . .		2,221	2,221
Supplies and equipment . . . . .		1,936	1,936
Technical personnel, salaries and expenses . .		2,487	2,487
Travel, room and board . . . . .		1,515	1,515
Miscellaneous . . . . .		667	667
		<u>11,299</u>	<u>11,299</u>
Less expenditures recovered . . . . .		<u>1,714</u>	<u>1,714</u>
		<u>9,585</u>	<u>9,585</u>
Sundry outside exploration . . . . .	<u>—</u>	<u>2,574</u>	<u>2,574</u>
	262,581	139,246	401,827
Administration . . . . .	<u>159,264</u>	<u>142,889</u>	<u>302,153</u>
	<u>421,845</u>	<u>282,135</u>	<u>703,980</u>
Deduct investment income			
Dividends . . . . .	78,041	18,240	96,281
Interest earned . . . . .	<u>30,114</u>	<u>15,271</u>	<u>45,385</u>
	<u>108,155</u>	<u>33,511</u>	<u>141,666</u>
	313,690	248,623	562,313
Less outside exploration transferred to deficit account . . . . .	<u>—</u>	<u>2,574</u>	<u>2,574</u>
Total . . . . .	<u>\$313,690</u>	<u>\$246,049</u>	<u>\$559,739</u>

# TRITON EXPLORATIONS LIMITED

## Statement of Shareholders' Equity Year ended December 31, 1969

(Incorporating figures for 1968)

	<u>Capital stock</u>	<u>Discount on capital stock</u>	<u>Contributed surplus</u>	<u>Deficit</u>	<u>Total</u>
Balance January 1, 1968 . . . . .	\$4,167,798	\$(442,092)	\$ 331,960	\$(3,228,044)	\$ 829,622
Profit on sale of marketable securities . . . . .				130,096	130,096
Decrease in provision for decline in market value of investment in Carbec Mines Limited . . . . .				61,687	61,687
Balance December 31, 1968	<u>4,167,798</u>	<u>(442,092)</u>	<u>331,960</u>	<u>(3,036,261)</u>	<u>1,021,405</u>
Write off of investments in shares of other mining companies without market value . . . . .				(1,424)	(1,424)
Increase in provision for decline in market value of investment in Carbec Mines Limited prior to the acquisition of its assets . . . . .				(23,834)	(23,834)
Profit on sale of marketable securities for the nine months ended September 30, 1969 . . . . .				123,166	123,166
Consolidation of shares of Matachewan Canadian Gold . . . . .	(3,473,164)	442,092	3,031,072		—
Issue of Triton Explorations shares for the net assets of Carbec Mines . . . . .	381,111		209,203		590,314
Transfer to trustee of Matachewan Canadian Gold shareholding in Carbec Mines . . . . .			(37,854)		(37,854)
Write off of deficit as at September 30, 1969 . . . . .			(2,938,353)	2,938,353	—
Balance September 30, 1969	<u>1,075,745</u>	<u>—</u>	<u>596,028</u>	<u>—</u>	<u>1,671,773</u>
Profit on sale of marketable securities for the three months ended December 31, 1969 . . . . .				30,386	30,386
Deferred expenditures of Carbec Mines reinstated . . . . .			11,467		11,467
Outside exploration expenses written off . . . . .				(2,574)	(2,574)
Provision for decline in quoted market value of investment in marketable securities . . . . .				(119,100)	(119,100)
Balance December 31, 1969	<u>\$1,075,745</u>	<u>—</u>	<u>\$ 607,495</u>	<u>\$ (91,288)</u>	<u>\$1,591,952</u>

# TRITON EXPLORATIONS LIMITED

## Statement of Source and Application of Funds Year ended December 31, 1969

(with comparative figures at December 31, 1968)

	<u>1969</u>	<u>1968</u>
<b>Source of Funds</b>		
Issue of 381,111 shares of capital stock to acquire the net assets of Carbec Mines . . . . .	\$381,111	
Excess of value of net assets acquired from Carbec Mines, over the par value of company's shares in exchange thereof . . . . .	209,203	
Deferred expenditures of Carbec Mines reinstated . . . . .	<u>11,467</u>	
	601,781	
Profit on sale of securities . . . . .	153,552	\$130,096
Reduction in cost of bonds deposited with Nova Scotia Department of Mines . . . . .	<u>18,550</u>	<u>1,050</u>
	<u>773,883</u>	<u>131,146</u>
 <b>Application of Funds</b>		
Acquisition of non-current assets from Carbec Mines		
Shares and advances to Edgehill Mines . . . . .	60,826	
Deposits . . . . .	1,075	
Fixed assets . . . . .	7,419	
Mining claims . . . . .	<u>1,435</u>	
	70,755	
Provision for decline in quoted market value of investment in marketable securities . . . . .	119,100	
Advances to Edgehill Mines . . . . .	1,547	
Increase in sundry advances . . . . .	2,698	
Additions to fixed assets . . . . .	109,169	2,398
Acquisition of mining claims . . . . .	4,130	
Cost of outside exploration . . . . .	2,574	
Exploration, development and other expenditures deferred, less depreciation (1969, \$20,305; 1968, nil) included therein . . . . .	<u>225,744</u>	<u>240,412</u>
	<u>535,717</u>	<u>242,810</u>
 Increase (Decrease) in Working Capital . . . . .	238,166	(111,664)
Working Capital at Beginning of Year. . . . .	<u>472,236</u>	<u>583,900</u>
Working Capital at End of Year . . . . .	<u>\$710,402</u>	<u>\$472,236</u>

# TRITON EXPLORATIONS LIMITED

## Notes to Financial Statements Year ended December 31, 1969

### 1. Corporate Name

By Supplementary Letters Patent, the company's name was changed during 1969 from Matachewan Canadian Gold Limited (No Personal Liability) to Triton Explorations Limited.

### 2. Investment in Wholly-owned Subsidiary

The investment in the shares of Edgehill Mines represents a 100% interest in that company, which holds approximately 10 square miles of manganiferous claims in Nova Scotia. Advances have been made to cover expenditures occasioned by the exploration and development of these properties. Recovery of such advances is contingent on that company going into successful commercial production.

The accounts are not consolidated as the assets, liabilities and operations of the subsidiary are not material in relation to those of the parent company.

### 3. Fixed Assets

	1969			1968
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net</u>	<u>Net</u>
Building and equipment (at nominal value) . . . . .	\$ 1		\$ 1	\$ 1
Office furniture and equipment . . . . .	16,849	\$ 3,369	13,480	9,431
Barge and dredge . . . . .	97,930	14,690	83,240	
Automotive equipment . . . . .	3,730	1,119	2,611	
Marine vessels . . . . .	7,519	1,127	6,382	
	<u>\$126,019</u>	<u>\$20,305</u>	<u>\$105,714</u>	<u>\$9,432</u>

Depreciation has been provided for in 1969 on the reducing balance basis at rates of 20% for office furniture and equipment, 15% for barge and dredge and marine vessels and 30% for automotive equipment.

### 4. Mining Claims

Offshore project, south-east coast of Nova Scotia

973 prospecting licenses covering 15,168 submarine claims encompassed within an area of 1,810 square miles between Cape Sable Island, Shelburne County, and New Harbour, Guysborough County. These claims entitle the company to prospect for all minerals, including placer minerals. The Nova Scotia government has restricted the issuing of any other licenses in the area surrounding these claims. The claims have been recorded in the books of the company at nominal value. . . . .

\$ 1

A deposit of Nova Scotia bonds with a par value of \$100,000 has been made with the Province of Nova Scotia as a guarantee that the company will perform the requirements under the Mines Act with respect to these claims.

Five Islands project, Minas Basin, Nova Scotia

17 prospecting licenses covering 272 claims, recorded at the cost of acquiring the licenses . . . . .

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# TRITON EXPLORATIONS LIMITED

## Notes to Financial Statements—continued Year ended December 31, 1969

### 4. Mining Claims—continued

Brought forward . . . . .	171
Londonderry project, Londonderry area, Nova Scotia	
33 prospecting licenses covering 512 claims, recorded at the cost of acquiring the licenses . . . . .	320
Shiningtree project, Sudbury District, Ontario	
60 patented claims in Churchill (24) and MacMurphy (36) Townships held under lease and recorded at cost . . . . .	44,020
Cumaway Lake project, Ontario	
25 unpatented claims in D'Alton Lake area, 90 unpatented claims in Cumaway Lake area (Thunder Bay Mining Division), and 34 unpatented claims in Emmons Lake area (Kenora Mining Division) acquired for \$2,500 and \$1,375 the cost of staking. These claims are subject to a 10% vendor's interest and a 30% interest held by Canadian Geomarine Corporation . . . . .	3,875
Nipissing Mining District, Ontario	
8 patented claims in Best (2) and Gillies (6) Townships held under lease and recorded at net cost . . . . .	10,000
Daubrée Township, Quebec	
30 mining claims held under development licenses, acquired for cash. These claims are subject to a 10% vendor's interest. . . . .	1,200
	<u>\$59,586</u>

### 5. Capital Stock

By Supplementary Letters Patent issued during the year the capital stock of the company was modified and as a result of a reverse split on a 1 for 6 basis the issued shares as at September 30, 1969 were reduced from 4,167,798 to 694,634. The authorized capital of the company at December 31, 1969 is 5,000,000 shares of \$1 par value each of which 1,075,745 shares are issued and fully paid. The fully paid shares include 381,111 shares issued for the net assets of Carbec Mines Limited acquired at September 30, 1969.

Details of consideration received for shares issued	Number of shares	Par value
Properties and other assets . . . . .	955,192	\$ 955,192
Services . . . . .	25,248	25,248
Cash . . . . .	95,305	95,305
	<u>1,075,745</u>	<u>\$1,075,745</u>

Of the 307,200 shares of Matachewan Canadian Gold previously held in trust for the benefit of the company, 300,000 shares were returned to the donor and the balance of 7,200 shares were consolidated into 1,200 shares of Triton Explorations. An additional 15,577 shares of Triton Explorations have been added to the shares held in trust, being the shares of Triton Explorations received for the Matachewan Canadian Gold shareholding of Carbec Mines.

### 6. Other Statutory Information

Remuneration of directors and senior officers, as defined by the Corporation Act, Ontario, amounted to \$30,595.

# TRITON EXPLORATIONS LIMITED

## Deferred Administration Expenditures Year ended December 31, 1969

	Balance at beginning of year	Expenditures during year	Balance at end of year
Audit and legal . . . . .	\$ 25,249	\$ 6,335	\$ 31,584
Directors' fees . . . . .	1,350	275	1,625
Interest . . . . .	32,171	24,917	57,088
Investment counsel fees . . . . .	7,812	4,138	11,950
Printing, stationery and office supplies . . . . .	3,984	1,266	5,250
Rent . . . . .	6,761	4,775	11,536
Salaries . . . . .	40,638	28,917	69,555
Shareholders' information . . . . .	9,946	4,068	14,014
Share transfer fees and expenses . . . . .	8,404	6,626	15,030
Stock exchange and registration fees . . . . .	898	575	1,473
Taxes . . . . .	1,285	568	1,853
Telephone and telegraph . . . . .	5,713	2,566	8,279
Travelling . . . . .	3,373	9,652	13,025
Depreciation of office furniture and equipment . . . . .		3,370	3,370
Expenses of reorganization . . . . .		37,892	37,892
General administration . . . . .	11,680	6,949	18,629
	<u>\$159,264</u>	<u>\$142,889</u>	<u>\$302,153</u>

# TRITON EXPLORATIONS LIMITED

## Marketable Securities — December 31, 1969

		Quoted market value	Cost
<b>Bonds</b>			
Par value			
\$25,000	Government of Canada 7%, 1973 . . . . .	\$ 24,062	\$ 24,687
\$25,000	Government of Canada 5½%, 1975 . . . . .	21,375	24,644
		<u>45,437</u>	<u>49,331</u>
<b>Listed Shares</b>			
Preferred			
1,500	Dominion Coal . . . . .	<u>20,250</u>	<u>20,667</u>
Common (Canadian)			
5,000	Alberta Eastern Gas . . . . .	35,000	30,420
1,400	Alberta Natural Gas . . . . .	32,900	32,338
2,250	Bank of Montreal . . . . .	37,969	32,859
15,100	Berkley Oil & Gas Ltd. . . . .	22,499	19,603
5,000	Blue Bonnets Raceway Inc. . . . .	16,250	16,647
1,000	International Mogul Mines . . . . .	17,000	22,847
1,000	International Nickel of Canada . . . . .	47,000	42,704
500	International Utilities Corp. . . . .	13,375	19,050
29,000	Iso Mines Ltd. . . . .	64,380	67,173
1,000	Noranda Mines Ltd. . . . .	37,000	25,985
1,000	Rio Algom Mines Ltd. . . . .	18,250	34,974
1,000	Silverwood Dairies "A" . . . . .	22,750	21,918
5,000	Slater Steel Industries . . . . .	64,375	73,646
		<u>428,748</u>	<u>440,164</u>
Common (U.S.)			
6,000	Admiral . . . . .	80,297	113,939
500	Boeing . . . . .	15,056	31,044
500	Combustion Engineering . . . . .	43,896	41,377
500	B.F. Goodrich . . . . .	17,531	23,357
500	Shell Oil . . . . .	23,688	35,739
3,000	Vanguard International . . . . .	12,847	19,926
		<u>193,315</u>	<u>265,382</u>
<b>Unlisted Shares</b>			
Common (Canadian)			
2,000	C & C Yachts . . . . .	9,000	9,120
7,000	Sklar Manufacturing . . . . .	21,000	20,619
		<u>30,000</u>	<u>29,739</u>
Less provision for decline of quoted market value		717,750	805,283
below cost . . . . .			119,100
		<u>\$717,750</u>	<u>\$686,183</u>





